

ALPENA COMMUNITY COLLEGE BOARD OF TRUSTEES

OFFICIAL PROCEEDINGS

September 18, 2008

The Alpena Community College Board of Trustees met on September 18, 2008, for its regular September meeting. Chairman Briggs called the meeting to order at 7:00 p.m.

Present: John Briggs, Marc Ferguson, Joseph Gentry II, Florence Stibitz, and Tom Townsend.

Absent: Dr. Judith Grenkowicz

Pledge of Allegiance

Chairman Briggs led the Board in the Pledge of Allegiance.

Approval of Agenda

Moved by Member Stibitz that the agenda be approved with the delay of item 2.431 until the October meeting.

Ayes: Briggs, Ferguson, Gentry, Stibitz, and Townsend.

Nays: None

Motion carried. All ayes.

Approval of August 21, 2008, Board Proceedings

The Board proceedings for August 21, 2008, were approved as distributed with no changes.

Introduction of Guests and Public Comments

The following guests signed the registry: Mark Hunter; Dick Sutherland, ACC; Mark Curtis, ACC; Crystal Nelson, The Alpena News; Gregg Schefferly, WCCT faculty; Mary Beth Stutzman, Alpena Citizen; Tim Kuehnlein, ACC; Joan Dargis; Dick Dargis; Ray Drake; Terri Drake, ACC Student; Sue Weathers, ACC; Mary Jane Thomson, ACC; Monica Bushey, ACC; and Jay Walterreit, ACC.

There was no public comment.

Board Member and Subcommittee Report(s)

Chairman Briggs indicated no Subcommittees of the Board had met since the last meeting of the Board.

Faculty Report

Coordinator/Counselor Technical Career Services Monica Bushey presented the Faculty Report.

Student Report

There was no Student Report.

President's Report

The President's Report follows as it was presented.

- 1. Final Fall Enrollment Report and Analysis

The attached final fall enrollment table shows less than 1% decline in both headcount and credit hours compared to last fall. The current FY09 budget is based on retaining only 60% of the very large enrollment gains we achieved last year. We correctly questioned whether these gains could be sustained, especially given the unprecedented 24% increase in the number of graduates (the vast majority of whom have left). The result of that questioning was to budget conservatively for a 5% enrollment decline. Since our declines are substantially less than predicted, we are now \$116,038 ahead of the amount of tuition revenue budgeted for the fall semester.

Other factors affecting this year's enrollment include:

- Due to the disbursement schedule for No Worker Left Behind funds, most of our student beneficiaries are continuing from last year rather than starting this year.
- We deliberately admitted only half of this year's nursing class in the fall so we could admit the other half in the spring, creating the twice-a-year graduation schedule requested by employers.
- We have about 20 new concrete tech students starting this year as a result of the Community Based Job Training Grant, which funds tuition for out-of-state students.
- This year, for reasons of student success, we restricted late registration past the first week of classes. For obvious reasons, it's amply demonstrated that students who attempt to start any later fail at a very high rate. In the past, we have picked up additional students in the second and even third week of the semester that we are now foregoing for reasons of professional integrity.
- A sizeable majority of ACC students are still in the 18-24 age bracket, and the region continues to deal with steady declines in the number of students enrolled in feeder schools.

These factors will influence the update of our marketing plan, now in its third year, that will take place this year.

- 2. Study of Essentially Untaxed Land in ACC District

In developing the FY08 budget, State of Michigan officials acted to remedy a problem of low-value tax bases for ACC, Gogebic CC, and Bay College. With "low value" being defined as less than \$1.4 billion, and a 2.5 mill property tax effort established as a threshold, House Bill 4360 as signed by the governor included \$350,000 to be shared among the three colleges to compensate for loss of revenue. One reason, but not the only one, for low-value tax base is essentially untaxed state or federal property within a college's district (such as DNR or national forest land) that is either not taxed at all or taxed at extremely low rates. For this reason, the \$350,000 assistance fund is sometimes called PILT money (Payment In Lieu of Taxes).

Recently ACC performed a study of its losses due to its low-value (approximately \$1.1 billion) tax base and land off the tax rolls. A convenient benchmark for these losses is the Michigan county average of \$242,000, since most of ACC's tax district is a single county. The purpose of the study was to explore a case for continued and possibly increased state funding to address the problem. ACC performed its study in concert with similar studies at the other two colleges.

It turns out that ACC's losses are significantly less than those of our sister colleges. Bay College's loss last year, after subtracting its PILT assistance funding, was \$645,363. Gogebic CC's loss, based on 545,000 acres (77%) of its land being essentially untaxed, was \$811,000. By contrast, ACC finds only 68,000 acres, or 16% of our district, as essentially untaxed. After our portion of the PILT funds (\$85,000) is subtracted, our loss is "only" \$46,000. I use "only" advisedly because while the amount is certainly not inconsequential, it is a small fraction of the Michigan county average of \$242,000. This makes ACC's case for getting additional funding look much weaker than that of the other two colleges.

We know the reasons for this. It would take only a small number of acres in a well-developed county with high valuation for it to surpass the \$242,000 average loss, whereas it takes us many of thousands of acres to reach that point. In ACC's case, unlike GCC's, the loss is due more to the low valuation than the sheer volume of untaxed acreage.

Because of this disparity, I have advised presidents of the other colleges that ACC will not join with them in a common appeal for increased PILT funding. It's not in our interests to weaken their case or ours.

3. Higher Education Act Reauthorization by Congress

Last month, President George W. Bush signed H.R. 4137, the Higher Education Opportunity Act, into law. Now known as P.L. 110-315, the reauthorization of the Higher Education Act significantly increases the reporting requirements for institutions. At the end of this update is a brief summary prepared by the Association of Community College Trustees of some of the most important changes for community colleges and their trustees.

ACC students will be positively affected by the increases in Pell Grants, and the new reporting requirements will add to the responsibilities of existing staff and the institutional researcher to be engaged this year.

4. Lobbying Day in Lansing

Yesterday I spent the day in Lansing calling on Representatives Darwin Booher, Michael Sak, and Joan Bauer; Senators Irma Clark-Coleman, Bill Hardiman, Tony Stamas, and Michael Switalski; and aides to Representative Morris Hood and Senator Martha Scott. Attached is a list of ACC legislative priorities that I discussed during my visit, all of which were crafted in collaboration with the Michigan Community College Association.

5. Scramble for Scholarships

On September 6 the ACC Foundation hosted another successful Scramble for Scholarships golf

outing at the city course, netting a total of \$18,255. Many thanks to all participants, hole sponsors, cart sponsors, prize donors, and Foundation Board members. Commendations for a job well done go to Executive Director Penny Boldrey, Secretary Jean Waeiss, Public Information and Marketing Director Jay Walterreit, and the following student volunteers: Cheryl Berney, Heidrun Alladio, Kathryn Bianchi, Shirley Helwig, Jillian Seguin, Stephen Sutherland, Ross Nelson, and Cindy Rocz.

Higher Education Opportunity Act Summary

Pell Grant Program Changes

The Act increases the authorization level of the Pell Grant maximum to \$6,000 for 2009 and increases the maximum to \$8,000 in 2014. The Act also establishes year-round Pell Grant for students and increases the Pell Grant minimum from \$400 to 10% of the Pell Grant maximum in a given year. Pell Grant eligibility is capped at 18 semesters, but is prorated based upon the student's attendance status. (Section 401)

College Cost Provisions

The Act creates "transparency lists" to put a spotlight on institutions and their costs and, in Congress's view, to help clamp down on college costs. The "transparency lists" include:

1. a list of the top five percent of colleges with the highest tuition and fees;
2. a list of the top five percent of colleges with the highest net price (total cost of attendance);
3. a list of the top five percent of colleges with the largest increase over the most recent three academic years for which data are available, using the first academic year of the three-year period as the base year to compute such percentage change;
4. a list of the top five percent of colleges with the largest increase over the most recent three academic years for which data are available, using the first academic year of the three-year period as the base year to compute such percentage change;
5. a list of the top ten percent of colleges that have the lowest tuition and fees; and
6. a list of the top ten percent of colleges with the lowest net price.

These lists would cover all the sectors of higher education. In the case of community colleges, the lists would be broken down by two-year public institutions. Congress provides an exemption for schools by establishing a dollar exemption (as long as colleges keep tuition-and-fees and net price increases under \$600 over a three-year period) from being included on lists 3 and 4. Unfortunately, the language still requires that approximately 60 community colleges (5% of the sector) be on lists 3 and 4. Colleges on lists 3 and 4 will have to prepare reports on tuition/cost increase causes and recommend remedies. Colleges on lists 3 and 4 also will be listed on the College Navigator Web site as institutions with the highest tuition/cost increase. (Section 132)

Consumer Information

The Act requires that colleges provide specific information on its enrollment and graduation

demographics and statistics. Two specific deliverables, detailed below, are identified as requirements.

First, the Act requires each institution to provide information that the Secretary of Education will post on the College Navigator Web site. Institutions participating in Title IV will need to provide 26 pieces of data. Some of this information will be easy for colleges to provide, such as the institution's mission statement, number of undergraduate students, percentages of male and female students, and the number of first-time, full-time, degree- or certificate-seeking students. But overall, the breadth of the required information will be onerous for many institutions. (Section 132)

Second, the Act requires each institution to report graduation rates in 48 categories, such as by gender, racial, and ethnic group. Furthermore, institutions will need to provide students with information about placement in employment and types of employments of graduates of degree and certificate programs. The Act also requires the Secretary to convene a meeting and make recommendations on the reporting and calculation of information in this section. (Section 485)

Accreditation

The Act forbids the Department from establishing any criterion that specifies, defines or prescribes the standards that accrediting agencies or associations shall use to assess any institution's success with respect to student achievement. (Section 496)

Maintenance of Effort

The "maintenance of effort" provision requires states to maintain a certain level of funding (1) for public institutions of higher education in such state for any academic year beginning on or after July 1, 2008, an amount which is equal to or greater than the average amount provided for non-capital and non-direct research and development expenses or costs by such state to such institutions of higher education during the five most recent preceding academic years for which satisfactory data are available; and (2) for private institutions of higher education in such state for any academic year beginning on or after July 1, 2008, an amount which is equal to or greater than the average amount provided for student financial aid for paying costs associated with postsecondary education by such state to such institutions during the five most recent preceding academic years for which satisfactory data are available. The Department may waive these requirements under very limited circumstances. If the state does not meet the "maintenance of effort" requirements, the Department will withhold the state's grant allocation under the College Access Challenge Grant program. (Section 137)

Textbook Information

Colleges, "to the maximum extent practicable" and "in a manner of the institution's choosing," will disclose, if available and when practical, the International Standard Book Number (ISBN) or, if not available, the author, title, publisher, and copyright date and retail price information of required and recommended textbooks and supplemental materials for each course listed in the course schedule. If the information is not available or practical, then an institution may designate that the information is to be determined. (Section 133)

Peer-to-Peer File Sharing

Colleges will provide an annual disclosure to students that unauthorized peer-to-peer file sharing may subject the students to civil and criminal liability; a summary of the penalties for violation of federal copyright laws; and a description of the institution's policies with respect to unauthorized peer-to-peer file sharing, including disciplinary action. (Section 488 and 493)

Certification Regarding the Use of Certain Federal Funds

Colleges may not use funds under HEA to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any federal action related to federal contracts, grants, loans or cooperative agreements. No student aid funds in HEA may be used to hire a registered lobbyist or to pay any person or entity for securing an earmark. Colleges will certify each year with the Secretary that they have met the requirements as stated in this section. (Section 119)

Transfer-of-Credit Policy

Colleges will disclose transfer-of-credit policies established by the institution, which shall include a statement of the institution's current transfer-of-credit policies, including any established criteria the institution uses regarding the transfer of credits earned at another institution and a list of institutions with which the institution has established an articulation agreement. (Section 488)

Code of Conduct

An institution that participates in federal student loan programs will develop a code of conduct with respect to such loans, with which the institution's officers, employees, and agents shall comply, that prohibits a conflict of interest with the responsibilities of an officer, employee, or agent of an institution with respect to such loans; publish such code of conduct prominently on the institution's Web site; and administer and enforce such code by, at a minimum, requiring that all of the institution's officers, employees, and agents with responsibilities with respect to such loans be annually informed of the provisions of the code of conduct. The Act does provide an exemption for an officer, employee, or contractor of a lender, guarantor, or servicer of education loans from serving on a board of directors or as a trustee of an institution if the institution has a written conflict-of-interest policy which states that the board member or trustee must recuse themselves from any decision regarding education loans at the institution. (Section 493)

New Programs Authorized in HEA Predominantly Black Institutions

The new grant program will provide grants to institutions that have an enrollment of undergraduate students which is not less than 40% Black American students. Institutions shall use funds to plan, develop, undertake, and implement programs to enhance the institution's capacity to serve more low- and middle-income Black American students. (Section 318)

Asian American and Native American Pacific Islander-serving Institutions

The new grant program will provide grants to Asian American and Native American Pacific Islander-serving Institutions (must enroll no less than 10% Asian American or Native American Pacific Islander) to improve and expand their capacity Asian American and Native American Pacific Islanders and low-income individuals. (Section 320)

College Partnership Grants

This grant program will fund collaborations between a state and its public institutions to develop and implement articulation agreements. (Section 841)

Action Items

2.430 Trustee resignation and Notice of Vacancy Process

Moved by Member Townsend that the Board of Trustees accepts with regret the resignation of Paul Wegmeyer as a member of the Board, and in compliance with the appropriate statutes of the state of Michigan covering the filling of such vacancies, authorizes the following:

- 1) Appropriate public announcement of the unexpired term in office for this Trustee position and the solicitation of interested, qualified candidates within the district.
- 2) Development of an appropriate application for the unexpired term in office for the Trustee position and making available through the Office of the Board of Trustees such application materials to any interested and qualified elector in the district.
- 3) Scheduling of a special meeting of the Board of Trustees on October 9, 2008, for presentations and discussions with qualified candidates seeking to fill this term of service on the Board of Trustees.
- 4) Appointment to occur at the regularly scheduled Trustee meeting on October 16, 2008.

Ayes: Briggs, Ferguson, Gentry, Stibitz, and Townsend.

Nays: None

Motion carried. All ayes.

2.431 Resolution of Appreciation

This item was postponed until the October meeting of the Board.

2.432 Resolution of Appreciation

Moved by Member Townsend that the attached resolution be adopted.

2.433 Resolution: Material Handling Unit (Forklift)

Moved by Member Gentry that the Board authorizes appropriate College officials to contract with Frazer Forklift to purchase the specified Clark forklift at a price not to exceed \$26,279.00 as part of the CBJTG equipment purchasing budget.

Ayes: Briggs, Ferguson, Gentry, Stibitz, and Townsend.

Nays: None

Motion carried. All ayes.

3.608 Financial Report

Dr. Joynton reviewed the financial report with the Board.

3.609 Personnel Report

The personnel report showed five additions/replacements, one resignation, no retirements, and one other.

3.610 Gifts and Grants Report

The gifts and grants report showed the attached activity.

New Business

There were no new business items.

Suggested Future Agenda Items

None

Next Regular Meeting

October 16, 2008, 7:00 p.m.

Property Subcommittee Meeting, September 30, 2008, 9:00 a.m.

Adjournment

The meeting was adjourned at 7:45 p.m.

Respectfully submitted,

Elizabeth L. Spragg
Secretary of the Board of Trustees